

MLSC

MARYLAND LEGAL SERVICES CORPORATION

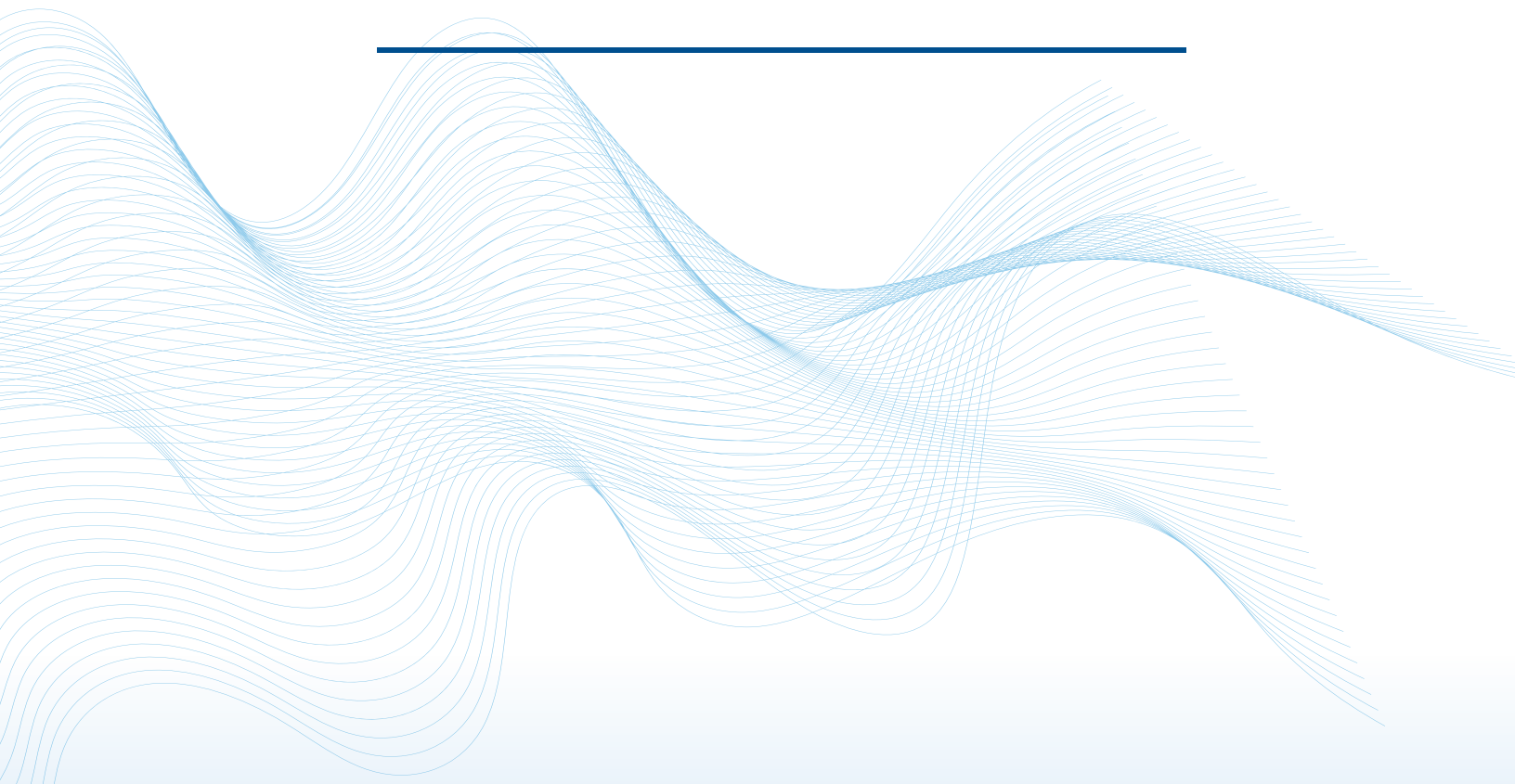


ANNUAL REPORT

JULY 1, 2019 – JUNE 30, 2020

MLSC

THE MISSION OF THE MARYLAND LEGAL SERVICES CORPORATION IS TO ENSURE LOW-INCOME MARYLANDERS HAVE ACCESS TO STABLE, EFFICIENT AND EFFECTIVE CIVIL LEGAL ASSISTANCE THROUGH THE DISTRIBUTION OF FUNDS TO NONPROFIT LEGAL SERVICES ORGANIZATIONS.

A decorative graphic consisting of numerous thin, light blue wavy lines that flow across the middle of the page, creating a sense of movement and depth.

In the face of incredible uncertainty,
MLSC's nonprofit grantees were quick to **ADAPT**
to ensure **low-income Marylanders** could still
receive the legal services they needed.

DEAR FRIENDS & COLLEAGUES,

At the start of fiscal year 2020, Maryland Legal Services Corporation awarded more than \$22 million in grants, enthusiastically planning for our largest grant year ever. By the end of the fiscal year this past June, the full effects of the COVID-19 pandemic were upon us.

MLSC saw drastic slashes to our two largest funding sources. The Interest on Lawyer Trust Accounts (IOLTA) program is heavily dependent on interest rates, and the Federal Reserve cut the federal funds target rate to near 0%, echoing levels seen during the Great Recession. MLSC's largest funding source is filing fee surcharges on certain court cases, and court closures and capacity reductions resulted in an extreme drop-off in court filings. At the same time, MLSC and our grantees knew the pandemic was both exacerbating existing civil legal problems and creating new ones.

In the face of incredible uncertainty, MLSC's nonprofit grantees were quick to adapt to ensure low-income Marylanders could still receive the legal services they needed. They presented on social media, informing the public about their rights regarding housing, education, unemployment insurance and more. They added and expanded hotlines and partnered with food distribution sites to pass out fliers. They helped clients interpret government and court orders at the national, state and local levels, and fought against exploitation and abuse. We are incredibly thankful for our grantees' work to safely serve those in need.

At its June 2020 meeting, the MLSC board of directors committed to spending from reserves to offer some stability to the legal services delivery system. But even with significant spending from reserves, the current situation necessitated grant reductions for fiscal year 2021, with overall MLSC funding decreasing by 9%. Further cuts would have been necessary if not for an October 2020 announcement from Maryland Attorney General Brian E. Frosh and Governor Larry Hogan that \$11.7 million in state funds would be directed to MLSC to provide legal services to families facing eviction, housing security issues and other civil legal problems arising from the pandemic.

The impacts of the pandemic will be felt for years to come, and MLSC will continue to search for sustainable funding to shore up Maryland's civil legal aid network. We greatly appreciate your support in ensuring access to justice for all Marylanders.



M. Natalie McSherry

M. Natalie McSherry
Chair



Susan Erlichman

Susan M. Erlichman
Executive Director

IN FISCAL YEAR 2020:

MLSC made \$22.1 million in operating, Judicare and special project grants to 37 nonprofits serving low-income Marylanders.

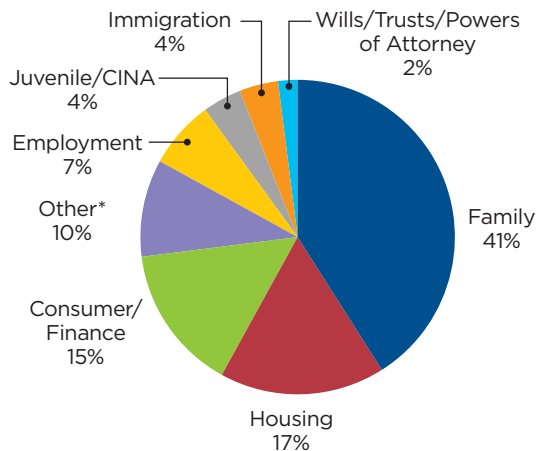
Our grantees closed 182,586 cases (down 11% from FY19 due to the COVID-19 pandemic), benefiting 238,554 people.

MLSC grantees closed cases in all 24 Maryland jurisdictions.

Nearly 3,400 attorneys donated more than 88,500 hours of service.

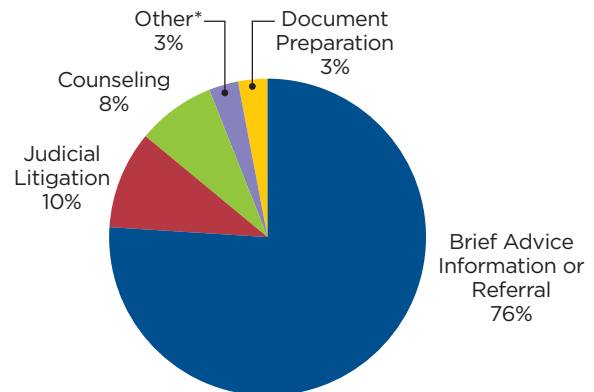
Legal aid providers helped clients obtain more than \$20 million in economic awards and avoid nearly \$16 million in costs for issues such as child support, consumer judgments and discharged debts.

TYPES OF CLOSED CASES



*Education, income maintenance, individual rights, health and miscellaneous

TYPES OF SERVICE



*Administrative proceedings, negotiation and other appropriate remedies

MLSC GRANTEES

In June 2020, MLSC approved for the coming fiscal year \$16,250,062 in unconditional operating and intern grant awards to 36 organizations. In addition, through a \$1,550,000 grant from the Administrative Office of the Courts and other funds, MLSC approved funding in the amount of \$1,900,000 for the continuation of the Judicare project, which pays reduced fees to private attorneys for contested family law representation. Also, MLSC awarded extension funding of \$524,950 restricted for foreclosure prevention and \$689,342 restricted for workforce legal services. MLSC awarded \$846,848 for a third year of the extended representation project, promoting full attorney representation for clients in need. More information about the grant process, application deadline and current grants is available at www.mlsc.org.

- Allegany Law Foundation
- Asian Pacific American Legal Resource Center
- Ayuda
- Baltimore Bar Foundation Senior Legal Services
- CASA de Maryland
- Catholic Charities of Baltimore
- Catholic Charities of the Archdiocese of Washington
- Citizens Assisting and Sheltering the Abused (CASA)
- Community Law Center
- Community Legal Services of Prince George's County
- Disability Rights Maryland
- FreeState Justice
- Harford County Bar Foundation
- Heartly House
- Homeless Persons Representation Project
- HopeWorks of Howard County
- House of Ruth Maryland
- Life Crisis Center
- Maryland Crime Victims' Resource Center
- Maryland Legal Aid
- Maryland Public Interest Law Project
- Maryland Volunteer Lawyers Service
- Mid-Shore Council on Family Violence
- Mid-Shore Pro Bono
- Montgomery County Bar Foundation
- Pro Bono Resource Center
- Public Justice Center
- St. Ambrose Housing Aid Center
- Sexual Assault Legal Institute
- Sexual Assault/Spouse Abuse Resource Center (SARC)
- Southern Maryland Center for Family Advocacy
- Tahirih Justice Center
- University of Baltimore Students for Public Interest
- University of Maryland Carey School of Law Medical-Legal Partnership Clinic
- Whitman-Walker Health
- Women's Law Center

IOLTA HONOR ROLL

- BCT - Bank of Charles Town
- Blue Ridge Bank
- Carroll Community Bank
- CFG Bank
- Congressional Bank
- FCB Bank, A Division of ACNB Bank
- First Shore Federal Savings & Loan Association
- Homewood Federal Savings Bank
- Industrial Bank
- MainStreet Bank
- NWSB Bank, A Division of ACNB Bank
- Standard Bank, PaSB
- Wells Fargo & Company

When a Washington County woman was informed that there was a possibility that her abusive spouse could be released from jail due to COVID-19, she became very afraid for herself and her infant son. A staff attorney from CASA Inc. represented the woman in her protective order hearings, switching between in-person and telephone hearings as the courts closed due to the pandemic. CASA helped her obtain a protective order, as well as a divorce and custody of her son, helping her feel safe in an uncertain time.

MLSC REVENUE

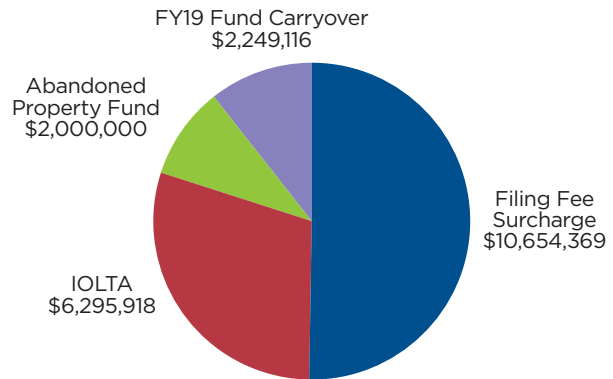
MLSC revenue for grants is primarily generated from the MLSC Fund, which is composed of three special funding sources:

- **Interest on Lawyer Trust Accounts (IOLTA) held by Maryland-licensed lawyers**
- **A surcharge on certain Circuit and District Court filing fees**
- **\$2,000,000 from the Abandoned Property Fund**

The MLSC Fund Appropriation is set in the State's budget each year based on projected revenues. The appropriation sets an upper limit on the amount that can be spent but does not guarantee the Fund will receive the full amount. MLSC receives the amount actually collected in the Fund, up to the appropriation limit.

MLSC FUND REVENUE

The FY20 MLSC Fund appropriation was set at \$22 million, but total revenues only reached \$21.2 million.



SUMMARIZED FINANCIAL INFORMATION

Statement of Net Position

June 30, 2020

Assets

Cash and Cash Equivalents	\$ 3,632,538
Investments	7,441,486
Receivable, IOLTA Receipts	258,424
Due from State of Maryland	846,957
Prepaid Expenses	20,226
Capital Assets - Net of Accumulated Depreciation	39,331
Other Assets	174,320
Total Assets	12,413,282

Liabilities

Accounts Payable and Accrued Expenses	252,312
Due to State of Maryland	258,474
Deferred Rent	27,623
Other Liabilities	143,667
Long-Term Debt	105,110
Total Liabilities	787,186

Net Position

Net Investment in Capital Assets	39,331
Unrestricted	10,017,942
Temporarily Restricted	1,568,823
Total Net Position	\$11,626,096

Statement of Activities

For the Year Ended June 30, 2020

Program Expenses - Legal Assistance **\$ 22,998,095**

General Revenues

State of Maryland Appropriations - Legal Assistance	21,202,145
Judicare Program	1,401,272
Contributions	10,578
Investment Income, Net	75,684
Other Revenues	27,150

Total General Revenues **22,716,829**

Decrease in Net Position (281,266)

Net Position at Beginning of Year 11,907,362

Net Position at End of Year **\$11,626,096**

Note

This report is a summary of the financial statements incorporated in the annual audit report issued by Gross, Mendelsohn & Associates, P.A. for the year ended June 30, 2020. The complete financial statements and notes are available upon request from MLSC.

When the pandemic hit, the Women's Law Center expanded the hours of their Employment Law Hotline to meet growing demand. An essential worker from Wicomico County called for advice regarding the possibility her employer would lay her off and require her to re-apply for her job at a reduced rate of pay. The volunteer attorney working the hotline conducted extra research on the topic, ensuring the employee had as much information as possible when making decisions about her job.

2020 MLSC CONTRIBUTORS

We are pleased to acknowledge the generous contributions of the individuals and organizations that support the work of MLSC.

- | | | | |
|---|---------------------|--|---------------------------|
| • Amit Agarwal | • Gabriel Eber | • Robert Kengle | • Jumoke Oladapo |
| • Curtis Anderson | • Alicia Edmunds | • Carolyn Kurtz | • Steven Potter |
| • William Bacon | • Earl Lowe | • Morgan Lakey | • Carolyn Quattrocci |
| • William Bailey | • Virginia Evans | • Sharon Lee | • Hon. Martha Rasin |
| • Baird Financial Advisors
–The Graham Group | • Sanford Friedman | • Stephen Lee | • Marc Rindner |
| • Scott Bergmann | • Hon. Brian Frosh | • Lerch, Early & Brewer | • Jill Robinson |
| • Wesley Blakeslee | • Donnell Fullerton | • Donald Logan | • Shelley Sadowsky |
| • Richard Bloch | • James Gerard | • MacBlane Family
Charitable Fund | • Steve Schwartz |
| • Justin Browne | • Richard Granat | • Andrew MacDonald | • Gregory & Barbara Sears |
| • Kenneth Carretta | • Alexander Haas | • Earl MacFarlane | • Deb Seltzer |
| • Albert Churilla | • Elizabeth Harris | • June Marshall | • Mark Simanowith |
| • Steven Crabb | • Phyllis Hildreth | • Cathryn Martin | • Andrea Solan |
| • Martin Cuniff | • Catherine Hill | • Elizabeth McKennon
Charitable Gift Fund | • Angela Tang |
| • DLA Piper LLP | • Jennifer Holz | • Margaret Ann Nolan | • Karen Underwood |
| • Madeliene Dobbins | • Jonathan Hoover | • Anne Noto | • Olivia Wein |
| • Renee Doplick | • Felix Irwin | | • Brian Yeh |
| | • Sorella Jacobs | | • Zuckerman Spaeder LLP |

MLSC BOARD

M. Natalie McSherry, Esq., Chair

Baltimore City
Kramon & Graham, PA

Corey Jay Robey, Treasurer

Carroll County
The Retirement Savings Plan
of the City of Baltimore

Violet M. Apple

Baltimore County
Girl Scouts of Central Maryland

Hon. Sidney A. Butcher

Anne Arundel County
District Court of Maryland,
Anne Arundel County

Aileen M. Eskildsen, CPA

Baltimore County
Ellin & Tucker

Christina R. Garcia*

Prince George's County
C.G. LLC

Hon. C. Philip Nichols Jr.

Prince George's County
Circuit Court for Prince
George's County (Retired)

Hon. Martha F. Rasin

Kent County
District Court of Maryland
(Retired)

Hon. Mark F. Scurti*

Baltimore City
District Court of Maryland,
Baltimore City

Debra A. Thomas, Esq.

Baltimore City
Law Offices of Debra A.
Thomas, P.C.

Susan M. Erlichman, Esq., Secretary (ex officio)

Maryland Legal Services
Corporation

*MLSC is grateful to outgoing board members Christina Garcia (2014-2020) and Hon. Mark Scurti (2012-2020).

MLSC STAFF

Susan M. Erlichman, Esq.

Executive Director

Kaa Andam

IOLTA Compliance Manager

Eleanor Goldstein

Program Assistant

Athana Kontinos

Program Coordinator

Susan S. Lentz

Finance Manager

Deb Seltzer

Deputy Director

A renter contacted Community Legal Services of Prince George's County concerned about late fees that she was being charged. The client lost her job due to COVID-19 and could barely afford to pay her rent. Fortunately, CLS was aware of new county legislation that prohibited landlords from increasing rent or charging late fees during the pandemic state of emergency. CLS advised the client that the landlord was required to inform the tenant in writing to disregard the late fee charges. The tenant was provided a copy of the bill to give to her landlord and referred to additional rent assistance resources. The client was extremely relieved and was comforted to know that help was available.

**MLSC**

MARYLAND LEGAL SERVICES CORPORATION

IOLTA - INTEREST ON LAWYER TRUST ACCOUNTS

15 Charles Plaza
Suite 102
Baltimore MD 21201

MLSC

MARYLAND LEGAL SERVICES CORPORATION

Funding Legal Assistance Serving the Ends of Justice

About **MLSC**

The Maryland Legal Services Corporation, established in 1982 by the Maryland General Assembly, is a nonprofit organization governed by a nine-member Board of Directors appointed by the Governor and confirmed by the Senate. MLSC distributes funds from the Interest on Lawyer Trust Accounts (IOLTA) program and other sources to nonprofit organizations for the provision of civil legal services to low-income Marylanders. MLSC currently provides funding to 36 nonprofit grantees throughout Maryland to ensure that eligible clients in all areas of the state have access to legal assistance.

About **IOLTA**

Attorneys routinely receive client funds to be held in trust for future use. In the case of amounts that are small or to be held for a short time, attorneys must place these funds into Interest on Lawyer Trust Accounts (IOLTA). The generated interest is used by the Maryland Legal Services Corporation for grants to programs that provide civil legal services to low-income Marylanders.